

Thematic Panel 15a

Care work in different arenas: organization, work content and working conditions

Childcare and labour markets: what makes social investment?

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Abstract

Childcare policies are seen as a strategic component of the Social Investment (SI) paradigm. Expansion in this social policy field –quantified as an increase in public spending and coverage rates is often taken as an indication of a wider attempt to reformulate welfare states’ intervention through a SI approach. By reflecting on the relationship between labour market structures and public policy (Estevez-Abe et al. 2001; Morgan 2005) this paper aims to assess the development of Early Childhood Education and Care (ECEC) in Italy and Spain since the early 1990s and the extent to which this policy development is filtered by labour market segmentation. The paper concentrates on the working conditions of professionals working in purely childcare services and pre-school having primary school teachers as a reference point. Given strong labour market dualisation and an organization of ECEC through a split system, which implies different degrees of enforcement of public regulation in the two sectors, we find a sharp divide within ECEC provision in line with the notion of primary and secondary markets (Berger and Piore 1980). We therefore conclude that despite the fact that there has been an overall expansion of ECEC in both countries, only the (early) policy developments in pre-schooling can be seen as conforming with the principles of a Social Investment strategy whilst an evident trade-off between expansion and quality of provision exists for childcare services for very young children.

1. Theoretical Framework

1.1 Labour Market segmentation and social policy developments

The degree to which labour market segmentation influences social policy developments has not been the focus of much scholarly work and yet, the labor market structure represents a driver for social services development as it sets the main contextual preconditions in which a labour-intensive industry, such as services for the early years, can grow. Labour-intensive service sectors suffer of the well-known “rising costs’ disease” [Baumol 1967]. Since productivity cannot grow at the same pace as it does in economic sectors in which technological and organizational innovations are able to diminish the unitary product cost, price (fees, in the case of personal and care services) will tend to grow until they reach levels well above market levels, making them unaffordable for families. Therefore, some service sectors can only be maintained and expanded through the socialization of costs, that is through public provision. In contexts in which this does not happen, labour costs are likely to be severely compressed and labour force to be strongly exploited. Which one of the two paths is likely to be undertaken in each context highly depends on the overall economic structure.

As Morgan (2005: 244) suggests, the Varieties of Capitalism literature can potentially be applied to the human services to understand how different market economies and skill regimes shape diverging trajectories in the production of childcare services. In Coordinated Market Economies (CME), the existence of vocational training, high skill levels and strong labour market protection leave no space to the development of private markets and ensures public sector dominance producing higher wages, higher job stability and promotion opportunities in the social services (Morgan 2005: 246). By contrast, in Liberal Market Economies (LME) high labour market deregulation, weaker job protection and lack of corporatist bargaining arrangements enable the development of private care market which would produce low wages and high employment turnout.

As it originally stands however, the VoC framework has a number of limitations for our analysis: Firstly, the category of worker is gender blind in most VoC analyses, the use of the average male worker as unit of reference is of little help when we are looking at a sector which is massively feminised (Estevez 2005). Secondly, production regimes in VoC concentrate on the private sector only, excluding production in the public sector. And thirdly, human services production, such as health, education or social services are also excluded (Morgan 2005). As a further limitation, the two countries we study here have been subject of a meagre attention by VoC studies. Both Italy and Spain stand as “mixed” cases (Molina and Rhodes) with elements of the two identified types: coordinated market economies (CME) of continental and northern Europe and liberal market economies (LME) of anglo-saxon countries .

These limitations become opportunities at the same time though since they help to hypothesise how the organization of these human services will develop in the different market economies. We argue that in the case of split ECEC systems, whether expansion takes place within the domain of education or in the welfare services domain highly determines the conditions of the workforce and so, differences between two distinct segments within ECEC provision can be stronger than any other individual characteristic of workers. In order to analyse the relationship between labour market segmentation and the development of the ECEC industry we draw on the notions of primary and secondary markets as developed in dual labour market theory. These primary and secondary markets, segments or sectors provide different employment opportunities, with very limited mobility between them. Basic economic processes such as wage determination or education and training are different between the two segments (Berger and Piore 1980 pg 17). As a result, whilst workers in the primary market have standard and well protected jobs, lower regulation and higher predominance of private employment result in a much higher percentage of non-standard jobs in the secondary market. According to the dual labour market theory, secondary markets are characterized by further aspects such as weak or low unionization of workers with a meagre presence of collective agreements; weak occupational entry barriers given a lack of specific training and educational requirements; and finally low job protection. These aspects may concur to worsen the employment conditions of workers and to increase their risk of entrapment in the dual labour market. In this paper, our main focus is to analyse how labour market segmentation is a feature that explains the type of provision and its capacity to resist the trade-off between expansion and quality in ECEC. So we are not looking at how dualisation dynamics affects the chances of different individuals or social groups but how this shapes in itself the very architecture of a service provision.

1.2 Quality of childcare services and the workforce

In previous work (León et al., 2014a) we identified an increasing trade-off between universalism and quality of child care provision. Right to care and education for very young children has been politically recognized in most European countries by now. While the right to care leads to an expansion of these services to guarantee an equal distribution across different social groups, the costs associated to this growth lead to several strategies (from externalization to re-familialisation) that might compromise quality. This trade-off has become especially pervasive since the beginning of the economic crisis and, in many countries, has given way to clear-cut differentiations depending on the type of childcare supply. In countries where ECEC services are organized according to the age of children (the so called ‘split system’) the risk of fragmentation between different forms of childcare provision is much stronger than in countries where there is a common institutional context for children under compulsory education age in terms of governance, settings and working conditions of staff (European Commission 2011; OECD 2012); whilst stronger learning curriculums and pedagogical elements are being introduced at pre-school level, the caring needs of the very young ones are still subject of much looser interpretations. Thus, it has become clear that a crucial dividing line that determines the quality of provision and the quality of work is the increasing differentiation that exists between pre-school education for children aged three (in some countries a bit earlier, in some others a bit later) and child care for children below pre-school age (León et al. 2014b: 34). By contrast, unitary systems enjoy a more defined distribution of administrative competence, curricula contents, settings and staff. According to several reports, the integration of services for all children into a unitary system tends to result in more coherent policies, higher qualification requirements and pay levels (European Commission 2014; CoRe, 2011; OECD 2006).

The extent to which the differentiation between pre-school and childcare services becomes a segmentation line together with the public/private divide can be studied by looking at the entry requirements and working conditions of professionals. Many experts insist on the fact that good quality of ECEC provision largely depends on the qualifications and salaries of care workers, educators and teachers. Poor qualifications and working conditions of staff hinder professionalization of the sector whilst pay parity between ECEC staff and primary school teachers result in higher standards of professionals and lower staff turnover (CoRe 2011: 49). Also, since the workforce in the social services sector is hugely feminised everywhere, studies on the conditions of the workforce produces also telling evidences on gendered labour markets.

Thus, bringing these two separate sets of literature (dualisation/VoC on the one hand and quality of ECEC on the other) we ask how is labour market segmentation reflected on expansion of different segments of welfare policies? Can the ECEC industry in Italy and Spain be considered as a ‘segmented labour market’? Our hypothesis is that *pressures to universalize ECEC in the context of a fragmented welfare state and strong labour market segmentation derive on expansion along dividing lines that mirror primary and secondary markets* (Berger and Piore 1980) where: firstly, conditions of those placed in the secondary market are clearly worse than in the primary one in terms of pay and job security; and secondly, mobility between segments is low. Whilst we have no data that would allow us to investigate the latter aspect, we concentrate on the first, analysing the level of separation between the two segments in the two countries by looking at the following indicators: differentiated level of qualification of teachers

(high-school diploma vs. degree); large share of temporary contracts (vs. open ended contracts); large share of part time (vs. full time) contracts; higher discontinuity (vs. continuity) of employment (in the same workplace); low wages (only for Italy).

A segmented/dual LM in ECEC will therefore be characterized by the coexistence of a large share of temporary, badly-paid workers with short-term job tenure alongside a stock of workers with open-ended work contracts providing also a more generous employment security. This differentiation may be found in the ECEC industry, namely corresponding to a general distinction between childcare services and pre-primary schools. We hypothesize that the pre-existing institutional fragmentation between pre-school (education) and childcare (welfare services) has led to entrenched processes of institutional dualism that configure very differentiated realities between professionals working in each segment. In particular, the expansion of childcare coverage in a context of consolidated universal pre-school education combined with deep labour market segmentation and budget constraints, has come with a deepening of existing institutional insider/outsider dynamics producing clear cut dividing lines along primary and secondary labour markets (the former characterized by good working conditions, high wages, secure jobs, and promotion prospects, while jobs in the latter are poorly paid, unstable and characterized by bad working conditions; Berger and Piore 1980: 24 in Emmenegger et al: 12). As shown by the literature, once workers are trapped in the secondary market, chances of advancement to the primary labour market are slim, as social mobility between labour market segments is low. So, inequalities driven by this divide become institutionalized (Palier and Thelen 2010).

We argue that in Southern European welfare states both the labour market and social policy institutions, in a context of cost-containment and pressures for expansion, are actually fostering the development of a secondary labour market within structures of quasi-markets and strong externalization trends. The reforms in the labour market of the last two decades have gone in both countries in the direction of a strong process of deregulation, that, much more than in other contexts, has been strongly “selective”, meaning that it has chiefly interested young people entering the labour market for the first time and adults coming back on the labour market after interruptions of their employment record, typically women after maternity and child-raising [Blossfeld *et al* 2012]. In the sector of early childcare, which is by the way widely feminized, such reforms have made it possible to pursue the expansion of provision by developing a market that is based on a secondary labor market.

2. The institutional and political economy context

ECEC policies in Spain and Italy share three main aspects: firstly, a traditionally low level of public expenditure on ECEC services provision¹, mainly explained by the familialistic features of their welfare states (Saraceno) and the low participation of women in paid employment. Secondly, an expansion of universal pre-school provision under the auspices of the education system and thirdly a late development in respect of

¹ Overall Italy spent 0.9% of its GDP on childcare and pre-primary education in 2014, while Spanish expenditure had increased up to 1.3% in 2012 and slightly decreased to 1.24% in 2014, getting close to the French level (1.4%), but still far from the levels of Denmark (2.5%), Iceland (3.08%) or Sweden (3.68%) [calculations on www.eurostat.org].

analogous trends in other continental European countries, of early childcare services for children under pre-school age.

Table 1 shows these aspects through a confrontation with the ECEC developments occurred in other European countries. In the late 1980s pre-primary schools had reached in Italy a coverage level higher than in many continental countries (including Germany) and close to that of Nordic countries, while early childcare was strongly underdeveloped. In Spain, the universalization of pre-schools occurred later while early childcare services had a quite strong acceleration in the last fifteen years. At the end, while pre-primary schools are almost universalized services in both these countries as result of their early development, early childcare has not only developed later than in the rest of EU countries, but still offers a lower level of coverage.

The split system entails a differentiated institutional structure of the two sub-sectors included in the ECEC industry. Pre-schools, even though non-compulsory, are capillary distributed throughout the national territory, are set in the educational system, respond to the National Ministry of Education, and are characterized by national regulations as far child-adult ratios, educative programs, staff's educational requirements, and so on; also financing is largely national. On the contrary, early child-care is much more de-centralized not only in its implementation, but also in its regulation. National laws are rather loose, while the definition of specific elements of regulation (child-staff ratio, staff's educational requirements, structural requirements of facilities, requirements regarding the pedagogical approach and project) is devolved to the regional level (respectively *Regioni* and *Comunidades Autonomas*), while implementation is a competence of Municipalities, what fosters very pronounced territorial disparities. In both countries, national funds only finance the creation of new places, not the management costs (or when they do, it is only for a very limited initial phase), and regional contributions earmarked to the field vary widely across the country, with the result that the availability of resources and the political sensitiveness to the issue of the single Municipalities actually play a major role in the extent and kind of provision that is developed locally.

Table 1. Coverage of ECEC services by cycle in some European countries, late 1980s and 2012/2013

Country	ECEC cycle (age)			
	Pre-primary school (3 years to compulsory school)		Early child-care (under 3 years)	
	Late 1980s	2012	Late 1980s	2013
Denmark	87,0	97,7	44,0	67,0
France	95,0	99,6	22,5	49,7
Germany	60,0	94,6	3,0	29,3
Italy	88,0	95,1	5,0	23,1
Poland	--	69,2	--	9,6
Spain	66,0	96,6	7,0	35,3
Sweden	79,0	94,0	29,0	47,3
The Netherlands	50,0	94,1	1,5	54,6
United Kingdom	44,0	96,3	2,0	35,1

Source: late 1980s, Phillips and Moss (1989) and Nordic Statistical Secretariat (1992), quoted in Anttonen and Sipilä (1996); for 2012/2013 OECD Education Database.

The dualistic structure of ECEC policies in Italy and Spain is rooted in long-term historical processes and is mirrored in the split institutional configuration of the overall ECEC system, a feature which is common to all Southern European countries, with the only exception of the *Escuelas Infantiles* in Spain that accept all children under 6 years of age (European Commission 2014: 34, 171). In Italy a very recent law decree introduced (in April 2017) the overcoming of the caesura between the two cycles, which is still however to be realized.

In Italy, building on a long history of pedagogical experimentations especially oriented towards the support to children from disadvantaged backgrounds (Ferrante Aporti, Sorelle Agazzi, Maria Montessori) already soon after WWII more than one third of children aged 3-6 attended a *scuola materna* provided either by Municipalities or by confessional bodies or by industrial employers; half of children in the interested age range was attending a pre-school as early as 1963 (calculations on MIPI 2000). The process towards universalization of pre-primary enrollment started with the law on State pre-schools of 1968, with which the State committed to spread pre-school facilities also in areas of the country that were barely covered. Despite the law foresaw the obligation for the State to build new facilities only in areas in which no structure existed, the State also progressively took over many facilities previously managed by Municipalities or private, mostly Catholic institutions. In two decades the coverage rate of children aged 3-5 grew from 50% in 1968 to 90% in 1988, to reach 99% in 1999, although legal entitlement was never introduced². This was achieved thanks to the parallel decline in the birth rate (children 3-5 decreased by 1.1 million, -38%, in the same period). The law had an impact especially on the composition of supply: State provision passed from 0 to almost 60%. Still today the remaining supply is provided by municipal pre-schools (around 10%) and private facilities, mainly publicly recognized (*scuole paritarie*) and subsidized (around 30%) (Sabatinelli 2016). Although in the same period a national law on municipal day-care centers for younger children was also passed (1971), their development was scant in those two decades: in 1992 public coverage was still marginal, 5.8% of children 0-2, and private provision was minimal (Innocenti 2001).

In Spain the expansion of free pre-primary education for children aged 3 to 5 started two decades later but was much more rapid. In the 1970s pre-school provision basically consisted in one free full-time year in preparation for primary education, so for children aged 5. Familistic attitudes and the heavy heritage of the francoist connotation of family policy contributed to a long inertia. It was only during the 1990s that provision was enlarged. In less than ten years, enrollment for the 3 to 5 year olds passed from 40% in 1991 to 80% in 1998 (source). This was largely the result of a major reform passed in 1990, the National Organic Law of Education (LOGSE). The reform was very ambitious: pre-school education (*educación infantil*), comprising the whole phase preceding compulsory primary school (starting at age 6), was for the first time included in the national education system, and the right to a day-care place for every child from 48 months of age was introduced. In practice, though, expansion was limited to pre-school education for children aged 3-6 while, due to insufficient financing and to the unclear division of responsibilities between the national, regional and local governments, development of ECEC for the under threes was meager (González 2004). Pre-school provision is currently close to a universal coverage, mainly public or private but publicly subsidized, in a proportion that is similar to primary education (ref on share).

² The cited Law decree “Buona Scuola” recently set the “quantitative and qualitative generalization” of pre-primary education as one of the uniform standards for the whole National territory.

In both countries, therefore, the universalization of pre-primary schools was initiated before both the needs of reconciliation of work and family responsibilities and the objective of enlarging women's employment base appeared on the governments' agendas, and well before the approach of social investment emerged and gained momentum in Europe.

The increase in women's employment actually started later in Italy and Spain than in most European countries³. When reconciliation needs eventually became more evident, from the second half of the 1990s onwards, in both countries universal pre-school coverage, free or largely affordable, was already consolidated (despite the typical school-hours were not fully coherent with the schedule of working parents). On the contrary, care needs concerning the youngest children were largely uncovered by collective facilities. Family support remained very large, especially through the role of grandparents as full-time caregivers. In both countries the need to expand provision for the youngest children appeared on the public agenda rather late in comparative terms, when the objective of fostering women's employment, key-point of the European Employment Strategy and of the Lisbon Strategy, had already become pervasive at least in terms of discourses. In both contexts programs for expansion of coverage came together with the inclusion of non public providers as direct or indirect beneficiaries of earmarked public funds.

In 2000 coverage was still marginal in Italy (estimated in 6.5% public and 7.4% overall) (Innocenti 2001). In the early 2000s National funds for the creation of day-care centers and of company-based day-care centers were allocated by centre-right governments. A few years later, the centre-left Prodi government released the three-year "Extraordinary crèche plan", 727 million euros co-financed by the Regions that had in the meanwhile received exclusive legislative powers in social policies after the constitutional reform of 2001. As important as it was in terms of stating the willingness of the State to mark a difference in ECEC development, the plan only aimed at increasing public or publicly supported provision by 65,000 places, and coverage by 3%. Even the sub-objective of reducing the very relevant gaps between Northern and Southern Regions was missed, since such gap instead increased by 1.5% between 2003-04 and 2012-13. Overall, public coverage reached only 11.9% in 2013/14 (ranging from 24.4% in Emilia Romagna to 1.4% in Calabria). In the meanwhile the growth of private providers (mainly cooperatives) was observed, that currently own 60% of the existing facilities and widely work in partnership with local authorities. In fact, out of 100 "municipal" places only 54 are directly provided by Municipalities, while 39 are either outsourced to private providers or reserved and subsidized in private facilities, and the remaining are subsidized through vouchers to families.

In Spain more legislative activism was observed concerning the ECEC field in the last two decades; a number of reforms were introduced one after the other, often contradicting the contents of the previous one. In 2002 the centre-right government substituted the cited LOGSE with a new Organic Law (LOCE) that re-defined the 0-2 cycle as having an educative-assistance nature, reinforcing its voluntary character and refraining from setting a national regulation framework, what paved the way for a deepening of territorial differences. Short after, in 2006 the new centre-left government approved a further new Organic Law (LOE), recovering much of the spirit of the

³ In the early 1980s women's employment rate was over 60% in the Scandinavian countries, around 50% in France, Germany and the UK, and around 30% in Southern Europe. In 2000 women's employment rate was slightly below 40% in Italy and slightly above that figure in Spain. In the following years the increase was stronger in Spain; despite the decrease in the years of the crisis, in 2016 the rate reached 54% in Spain and 48% in Italy (www.eurostat.eu).

LOGSE and stressing the educational nature of services for children under pre-school age, together with a three-year development plan (*Plan Educa 3*) with a 100 million euro budget to support the creation of 300,000 new places for the 0-2 in the period 2008-2012. The program however was ephemeral in its real outcomes: by 2011, only 71,000 new places had been created. The economic crisis together with difficult coordination among different levels of government hindered its implementation. Still, overall increase in provision for children aged 0-2 was impressive in Spain during the years 2000s: coverage more than trebled, passing from ten percent in 2000 to over 30% in 2010 (MECD 2013; OECD 2013). This expansion is the result of a mixed provision: fully private day-care centers represent more than the half of total supply.

3. Working conditions of ECEC workers in Italy and Spain

According to the segmented labour market theory, a dual labour market is characterized by the coexistence of a large share of temporary, badly-paid contracts alongside a stock of open-ended contracts providing a stricter employment security. This differentiation may be shown in the ECEC industry as far as it concerns the general distinction between childcare services and pre-primary services.

In order to test this theory, we consider the working conditions of teachers who are employed in the two different segments of ECEC: childcare services and pre-primary schools. We also considered teachers employed in primary school as a reference point as they are employed in a well-established sector with higher stability, greater social and public recognition, and higher wages.

An original elaboration of the Labour Force Survey (LFS) data for Italy and Spain allowed us to identify workers with teaching responsibility in these three segments and analyze their working conditions. We selected these workers according to two criteria: their profession as resulting from the ISCO08 code (3 digits) and the economic sector in which they are employed as defined by the NACE code (3 digits). Pooling of data was carried out in order to have a number of cases which allows a significant statistical analysis. In Italy, we considered the four national LFS quarterly surveys carried out in 2015 and we dropped all repetitions. In Spain, we pooled two LFS quarterly surveys carried out in 2004 and 2006 (after six survey waves) to avoid repetitions⁴.

Two analyses were carried out. First, we investigated what professions are involved in each specific segment of the ECEC industry; our hypothesis is that the childcare workforce has a much more differentiated profile in terms of qualifications. Second, we look at the workforce with specific teaching responsibilities to see whether and to what extent their working conditions are different in the two segments of the ECEC industry; we expect to find that teachers in the childcare segment experience worst contractual conditions than workers in the pre-primary sector, and that the latter have a contractual profile that is closer to that of teachers of primary schools, which was our reference point. The following two subsections test these two premises

⁴ In Spain the LFS database is based on a sample rotation that includes people for six continuous quarterly surveys. In our analysis we used two quarterly surveys carried out at a distance of six rotations to avoid case repetition in the same samples.

3.1 The professional configuration of ECEC

The intersection of information about profession and activity allowed us to identify the teaching staff in childcare services, pre-primary and primary schools (see table 2 and table 3). The great majority of such workers are coded in ISCO08 as part of the same group of ‘primary school and early childhood teachers’ (code n. 234). However, while teachers employed in the pre-primary and primary segments show a homogeneous qualification with a few workers taking a complementary role, the childcare workforce is composed of a plurality of different qualifications. These include: i) “other teachers and teaching professionals” (ISCO08 cod. 232, 233, 235); ii) “childcare workers and teachers' aides” (ISCO08 code n. 531); and iii) “legal, social and religious associate professionals” (ISCO08 code n. 341).

Table 2. Profiles of professionals with teaching responsibilities in ECEC

ISCO08 Code and title	Description
Primary school and early childhood teachers (ISCO08 code 234)	teaching at the primary level of education; organisation of educational activities for children below primary school age.
Other teachers and teaching professionals (ISCO08 codes 232, 233, 235)	research and advice on teaching methods; teaching pupils with learning difficulties, non-native languages; private tuition; arts, ITC and other complementary subjects.
Child care workers and teachers' aides (ISCO08 code 531)	care and supervision for children in schools and child care facilities: assisting children individually; Demonstrating, supervising and participating in activities that enhance the physical, social, emotional and intellectual development of children in school and pre-schools, etc.
Legal, social and religious associate professionals (ISCO08 codes 341, 342, 343)	technical and practical services and support functions in social and community assistance programmes; assistance to clients to deal with personal and social problems

Source: ILO 2012.

In general, and as table 2 shows, while in pre-primary and primary school workers coded as “qualified teachers” (ISCO08 234) are the large majority representing 90% or even more of the total workforce with teaching responsibility in both Italy and Spain, in the childcare segment a large share of workers (28% in Italy and 55% in Spain) are employed with a different qualification and under a different contractual framework. This fact clearly reflects the plurality of professional roles and tasks involved in childcare, where educational and care functions are still mixed and combined together due to the very young age of children.

Table 3. Composition of the workforce with teaching responsibility in the ECEC industry, Italy and Spain

	ITALY			SPAIN		
	Childcare	Pre-primary	Primary	Childcare	Pre-primary	Primary
Primary and ECEC teachers	69,5	91,9	99,2	37,7	87,3	86,4
Other teachers and teaching prof.	2,3	3,8	0,3	7,4	2,5	6,1
Childcare workers and teachers's aides	12,8	2,3	0,2	40,8	9,5	5,9
Social professionals	15,4	2,1	0,3	14,1	0,7	1,5
TOTAL	100,0	100,0	100,0	100,0	100,0	100,0

Source: Pooling of LFS data, 2015 (Italy), 2014 and 2016 (Spain).

However, this fact could also imply that the barriers to entry into this ECEC segment are lower than in the pre-primary segment, exposing even professional teachers to a downgrading of their contractual positions. Finally, this situation reflects recent developments in childcare services in both countries. For example, as highlighted in previous research (Ibáñez and León 2014; Ranci and Sabatinelli 2014), a common strategy in both Spanish and Italian case since the beginning of the years 2000s and especially since the beginning of the economic crisis has been the outsourcing of the management of municipal day-care centres to private providers, together with an increasing use of agreements in which local authorities “buy” places in private facilities. Both practices have brought about a significant downgrading of the contractual conditions of qualified teachers in an attempt to bring costs down. A further practice developed in the austerity years in Italy is the outsourcing of municipal facilities not to private providers, but to Municipal “special agencies” that can disregard a number of obligations of public authorities, not least the need to apply the public administration working contracts (Neri 2016). This has had ambivalent results; on the one side it has allowed some municipalities to hire new staff in order to open new, or enlarge existing facilities, in years in which new hiring was severely constrained in public administration due to the “domestic stability pact”. On the other side, it has permitted them to reduce personnel costs also in municipal, non-outsourced facilities, by recurring to non-standard working contracts.

3.2 Working conditions of teachers in childcare and pre-school

Adapting segmented labour market theory to ECEC, we only suppose that segmentation between a primary and secondary market would be confirmed if a great between-segment variance is found in the employment conditions of workers with similar qualification and career development. Moreover, we expect to find that differences between segments matters more than differentiations among workers in their levels of qualification or career development. Our hypothesis, in other words, is more specific than what is supposed in the general theory of dual labour markets as we only study to what extent workers within an equivalent profession (i.e teachers) have different working conditions and if these differences are explained in a greater extent by the segmented structure of the ECEC industry than to any other individual feature. Segmentation in the ECEC labour market is therefore the main aspect to be tested in this analysis.

To compare the contractual conditions of workers in the two ECEC segments and the primary school segment as reference point, we focus on a specific analysis of professional teachers (code 234 ISCO08) considering: a) level of qualification; b) contractual conditions (standard vs. not standard contracts; part time vs. full time); c) the employment stability over time; d) and lastly we analyze wage levels only for the Italian case where data is available.

a) Level of qualification

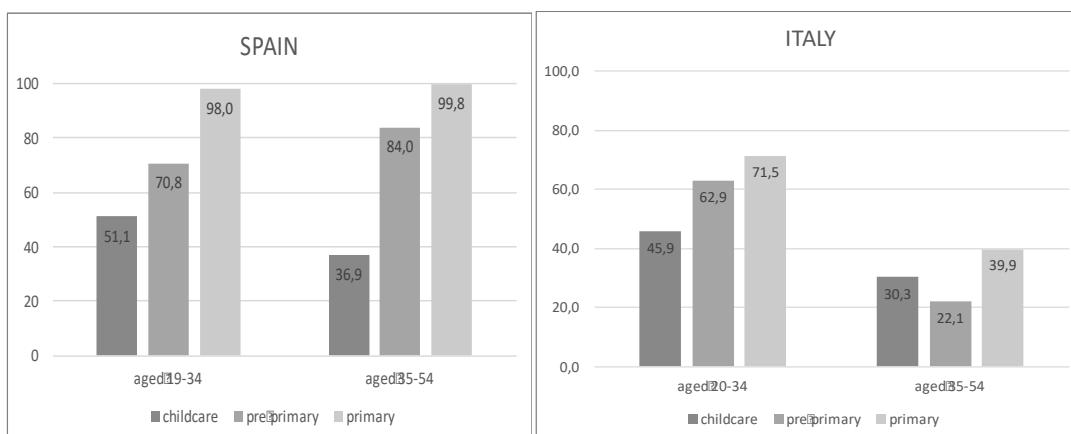
In both countries childcare teachers are less qualified than their colleagues working in pre-primary or primary schools (see graph 1). Moreover, a general increase in the level of education of younger childcare teachers is observed, which is consistent with the recent developments happened in this segment.

In Spain, almost all teachers in the primary school (99%) hold a university degree regardless of their age, while in Italy the share is lower for all the age groups (see graph 1). This huge difference between the two countries is partially explained by the permanence in Italy of a large stock of old teachers who entered the sector when holding a degree was not yet a mandatory requirement to take a permanent position. The reform of the university degrees needed to teach in pre-primary education was passed in 1990, but the transition phase was long: all teachers holding an old high school “teaching diploma” (which could last 3, 4 or 5 years) obtained within 2001/2002 were anyway eligible to permanent positions. In Spain, instead, universalization of pre-school education at the beginning of the 1990s introduced opportunities for re-skilling to those already working in the sector (Ibáñez and León 2014).

Given this difference between the two countries, in Spain the share of pre-primary teachers holding a degree is close to that of primary teachers even though the gap increases for younger teachers.

The distance of childcare teachers is much bigger as only half of them hold a degree in the 19-34 years age band and 39% in the 35-54 age band. In Italy, the inter-segmental difference among the youngest teachers (20-34 years old) shows a higher qualification in the pre-primary segment, where workers holding a degree reach levels similar to those existent for primary teachers. Considering therefore the new entries in the different segments, even in Italy a clear gap in the level of qualification for childcare teachers is observed.

Graph 1. Share of teachers holding a university degree by segment and age, Italy (left) and Spain (right)



b) Working conditions and employment stability

In segmented labour markets, non-standard contracts are supposed to be more diffused than in primary labour markets as a consequence of lower regulation, lower qualification of workers, dominance of private employers searching for competitiveness based on low wages and high labour flexibility. Non-standard employment includes fixed-term jobs, occasional contracts and all sorts of atypical profiles (including, for example, jobs provided by self-employed professionals). Part-time jobs were considered separately as reduced working time does not necessarily imply precariousness in the ECEC industry. Although in public employment non-standard contracts are generally unusual, there is a widespread use of temporary contracts in the public education sector to replace shortages of teachers to face growing demand. This fact gives qualified teachers who have not yet obtained a permanent position the chance to have an early teaching experience. These “*interinajes*” in Spain and “*supplenze*” in Italy, which in the past used to simply be a short stepping stone to the tenure position have been stretched so much as to become the normal contractual position of new young teachers for several years until their contracts become structural, producing a long condition of work precariousness in the entry phase. Teachers under this transition contracts have in theory the same conditions as tenured teachers although in practice they suffer from a number of discriminations and, most of all, they do not enjoy income continuity, since they are hired with one temporary contract after the other, whose length depends on the specific position that needs to be covered (maternity leave, illness leave, etc.) (add ref.).

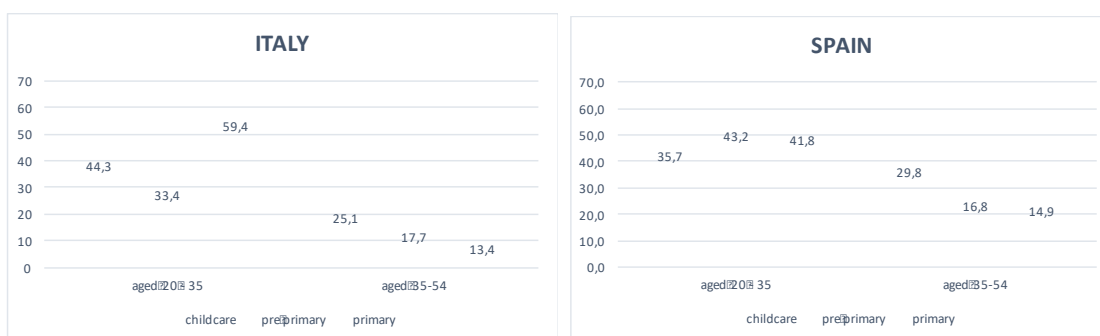
Finally, diffusion of non-standard employment is expected to reduce the continuity in the career of teachers by exposing them to temporary jobs among different agencies. In our analysis, continuity was calculated by counting the years (or months in the case of the Spanish LFS) spent in the same employment with the same employer. In the case of teachers employed as civil servants, continuity is very high as teachers do not change the employer even though they may change the scholastic institution where they work. This fact explains why the overall level of continuity is very high in this industry. On the other hand, continuity is considerably lower for non-standard workers and especially for workers employed in private agencies.

In Italy, the diffusion of standard employment is quite similar for teachers of pre-primary and primary education, while childcare workers are more likely to have a non-standard employment (see table 4). The presence of non-standard workers is double in the childcare sector compared with pre-school and primary. Childcare workers are also significantly more likely to work part time (30% vs. 12%). In Spain, while part time jobs or non-standard employment are more diffuse among childcare teachers, in the pre-primary segment the share of non-standard jobs is significantly higher than in primary schools.

Table 4. Share of teachers with non-standard or part-time contracts, by segment and country

	ITALY			SPAIN		
	Childcare	Pre-primary	Primary	Childcare	Pre-primary	Primary
Non-standard	29,3	14,8	13,3	32,8	25,8	19,6
Part time	30,3	12,1	8,4	28,3	12,1	7,3

Graph 2. Share of teachers with non-standard contracts, by segment and age, Italy and Spain



Similar results are obtained by breaking data by age (see graph 2). The diffusion of non-standard employment is generally higher for younger teachers as expected. In Italy, the share of non-standard contracts for primary teachers is the highest due to the widespread use of temporary contracts as entry doors to the sector. However, stabilization and therefore access to standard contracts for older teachers is much higher for pre-primary teachers and primary teachers, while the share of childcare teachers who are long entrapped into fixed-terms contract is very high (25%). In Spain the same trend is observed: while 30% of childcare teachers aged 35 and older are still with a non-standard contract, the same share among their colleagues with the same age is halved (17% for pre-primary and 15% for primary teachers).

Finally, the configuration of non-standard employment, together with the configuration by age of the workforce in the different segments, affects also the continuity of work contracts (see table 5). Continuity is indeed lower for childcare teachers both in Italy and Spain. In Italy, on average childcare teachers have worked for 12 years in the same agency while teachers in the pre-primary segment have continuously worked for 16 years (+33%). In Spain, the average number of years of continuous employment is only 7,6 for childcare teachers, while it increases to 10,1 years for pre-primary teachers and to 12,9 years for primary teachers. Also the share of workers with short continuity is higher in the childcare segments than in the pre-primary or primary segments.

Table 5 Average number of years of continuous employment, and share of workers with less than 5 years of continuity, by segments on ECEC industry

	ITALY			SPAIN		
	Childcare	Pre-primary	Primary	Childcare	Pre-primary	Primary
Average number of years worked in the same agency	12,3	16,0	19,1	7,6	10,1	12,9
Share of workers with less than 5 years of continuity	23,8	21,19	16,4	34,12	21,53	15,45

c) Wages

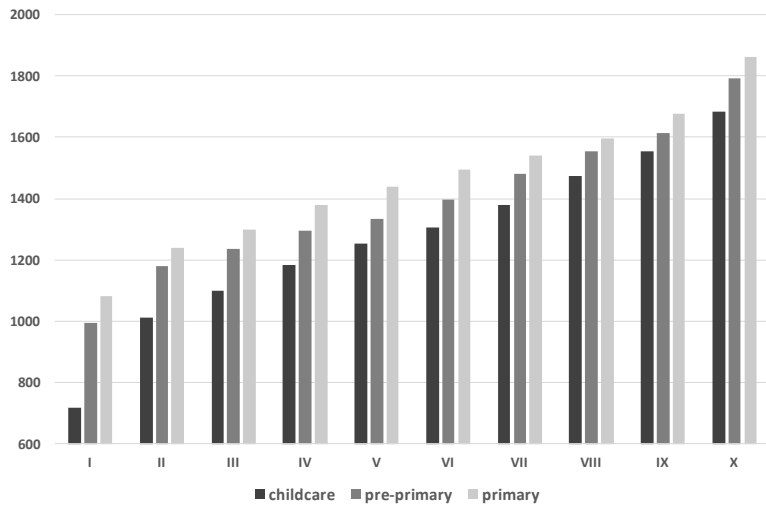
In secondary labour markets wages are not only lower than in primary markets, but also do not significantly increase for workers with higher levels of qualification or with longer careers.

In order to consider the impact of the ECEC industry segmentation on wages, we considered both the monthly and hourly wages of teachers (data are available only for Italy).

As shown in graph 3 and table 6, the monthly salary of childcare teachers is significantly lower than that of pre-primary education workers for each decile of the wage distribution, while primary education workers enjoy the highest wages. Moreover, the wage gap between childcare and pre-primary workers is generally higher than the wage gap between pre-primary and primary teachers. This gap is especially high for childcare teachers who are in the first deciles of wage distribution, e.g. for the childcare workers who get the lowest salary. 31% of childcare workers have their monthly salary below 1,000 euros: the same percentage for pre-primary and primary teachers is respectively 9% and 6%. On the other hand, only 15% of childcare teachers have their wage above 1,500 euros per month while the same percentage for pre-primary children is 28% and that for primary children is 42%.

Generally speaking there is therefore a significant group of childcare workers whose salary is very poor and significantly lower than that of their colleagues working in the pre-primary segment. On the other hand, pre-primary workers' salaries are lower than those of their colleagues in the primary sector⁵.

Graph 3. Distribution of wages per decile, by segment (only full time teachers, Italy)



⁵ Data about the average wages in Spain as set in collective agreements confirm the same situation. A teacher working in the public sector earns in average 1,600Euros per month, while in the pre-primary schools 1,900Eur –without seniority premium- both for 30 hours per week; an educator (advanced vocational training ‘educador infantil’ will earn 1,300 Euros a month for 35 hours per week. Salaries for the semi-private and private sectors are somehow lower in both segments going down to 850 Eur/month for educators working in the private 0-3, which actually represents close to 75% of teaching staff in ECEC 0-3. In any case professionals working in the 3-6 enjoy higher wages for both the public and the private sector than professional in the 0-3 (Ibáñez and León 285).

Table 6. Distribution of wages by segment (only full time teachers, Italy)

	Childcare	Pre-primary	Primary
0-499 euros	4,6	2,3	1,1
500-999 euros	26,8	6,7	4,6
1.000-1.499 euros	52,3	61,7	51,4
1.500-1.999 euros	15,6	28,2	42,0
>2.000 euros	0,7	1,1	1,0
TOTAL	100,0	100,0	100,0

An additional way to consider the wage gap across segments is considering the hourly wages and not the monthly wages (see table 7). In general, childcare teachers work more than their colleagues in other segments. In relative terms, they work 12,6% more time than the working time of pre-primary teachers, who work 6,1% time than their colleagues in primary schools. Therefore, the wage gap of childcare workers is even higher if we consider the hourly wage. Childcare workers take an hourly wage which is 28,7% less than the average wage level of pre-primary teachers, while pre-primary teachers take an hourly wage which is 13,6% lower than that of their colleagues working in primary schools. The wage gap between childcare teachers and pre-primary teachers is therefore higher than the wage gap between primary and pre-primary teachers both considering their monthly and hourly salary.

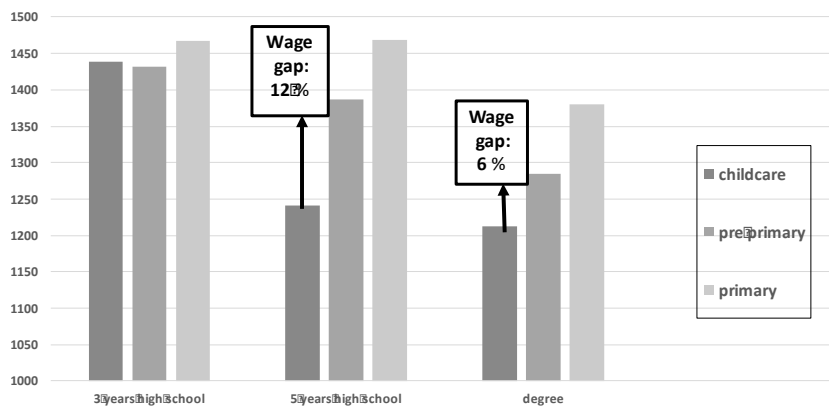
Tab. 7 Average working hours, monthly and hourly wages, length of employment, by segment, and relative gaps (only full time teachers, Italy)

	childcare	pre- primary	primary	Childcare / pre-primary gap	pre-primary / primary gap
Working hours	31,08	27,17	25,50	12,6	6,1
Net monthly wage	1129	1312	1407	- 16,2	-7,2
Net hourly wage	39	50	57	- 28,7	-13,6
Years in the same job	12	16	19	- 29,6	-19,3

Finally, in a segmented labour market, we expect that the wage dynamics are only partially modified by the level of qualification of workers and their career, and are mainly affected by the economic sector wherein workers are employed. Though we expect that childcare teachers with higher qualification and/or with longer career have a higher salary than their colleagues working in the same segment, we do not expect that their salaries overcome the level of their colleagues teaching in other ECEC segments. This is shown in graphs 4 and 5, where wages for teachers with different qualification or different length in their careers are compared across segments. Childcare teachers

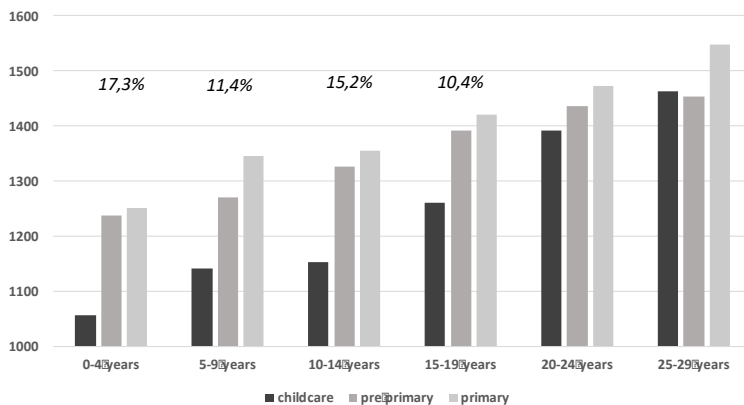
have the lowest wage no matter what is their qualification, with the only exception of a few old teachers with lower qualification (a high school diploma obtained in 3 years) that have a very long career (see graph 4). Their wage gap decreases if they have a degree, but this fact does not change the overall trend as higher qualification in the school and ECEC systems is generally associated in Italy to lower wages. Therefore, qualification affects the wage level less than the segment of the labour market does in the case of childcare teachers.

Graph 4. Average wages by level of education of workers in the different ECEC segments (only full time teachers, Italy)



In educational systems, the wage progression could be mainly affected by seniority rather than by the level of qualification. Graph 5 shows that even in this case the wage of childcare workers is significantly lower than that of pre-primary or primary teachers. While the wage gaps between pre-primary and primary teacher are very low for different careers, in the case of childcare teachers the wage gap persists for teachers with 15-19 years of career. Only in later stages of their own career, childcare teachers get a wage which is closer to the level of their colleagues working in other segments.

Graph 5. Average wages by length of career of workers in the different ECEC segments (only full time teachers, Italy)



4. Conclusion

The following table summarizes the main results of the empirical analysis. To sum up, the childcare segment is characterized by a wide range of professional profiles, which reflects the peculiar combination of educational and caring tasks. Teaching and child caring are split functions performed by workers with differentiated qualification and specialization. In spite of such differentiation, the working conditions of childcare teachers are consistently worse than those of their colleagues, with similar qualification, working in the pre-primary segment. In general, we can conclude that childcare teachers are embedded in a segmented labour market, characterized by lower educational requirements, higher precariousness and flexibility, lower wages also if controlled by level of qualification or length of career.

Our data are therefore coherent with the hypothesis that in the childcare segment, workers are more affected by aspects that are inherent to the distinction between different segments of the ECEC industry than by their own individual qualification and expertise. In some ways, they are entrapped in segments providing them with lower wages, lower security, and lower perspectives for their future career.

These findings are at odds with the Social Investment paradigm since it implies that firstly, expansion in this sector has taken place at the cost of quality and secondly, given that the overwhelming majority of workers are women, the sector offers little 'stock' in Hemerijck's terms.

On the other hand, teachers in the pre-primary segment are in a better position as they are less affected by precariousness and high discontinuity in their work career. Nevertheless, and with data for Italy only, they also suffer a significant wage gap in respect of their colleagues working in primary schools. Their salary per hour is 14% lower even though their qualification is analogous to that of their colleagues teaching in primary schools.

Table 8. Different features of teachers working in the childcare, pre-primary or primary segments

	Childcare	Pre-primary	Primary
Differentiation of professional profiles	Large, inclusive of workers taking teaching responsibility with different qualification, and workers with child care tasks	Narrow, almost only teachers with specific qualification	Very narrow, only teachers with very specific qualification
Level of qualification	Degree is not diffuse: majority of workers 54% (Spain 54%, Italy 68%) with no degree	Degree is highly diffuse in Spain (80% with degree), not in Italy (only 22% with degree)	Degree is actually necessary in Spain (no workers with no degree), not so diffuse in Italy (only 35% with degree) but increasing (70% with degree among <35 aged workers)
Work stability/flexibility	Non-standard and part time contracts are very diffuse (30%) in both countries, especially for <35 aged workers (around 40%)	Non-standard contracts are more diffused in Spain (25%) than in Italy (15%), and they are especially diffuse for <35 aged workers (around 40%). Part time less diffused in both countries (12%)	Non-standard contracts are more diffused in Spain (20%) than in Italy (13%), but highly diffused in Italy for <35 workers (60%). Part time less diffused in both countries (8%)
Continuity in employment	Continuity is lower, especially in Spain (7,6 years on average)	Continuity is quite high, more in Italy (16 years on average) than in Spain (10 years on average)	Continuity is very high (Italy: 19 years on average; Spain: 13 years on average)
Wages (only full time workers, only Italy)	Wages are lower, even for teachers with degree and longer careers. 30% of teachers have wage below 1000 per month; hourly wages are particularly low.	Wages are concentrated between 1000-1500 euros per month, with good progression over time	Wages are between 1000-2000 euros per month, consistently higher than those of other segments.

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